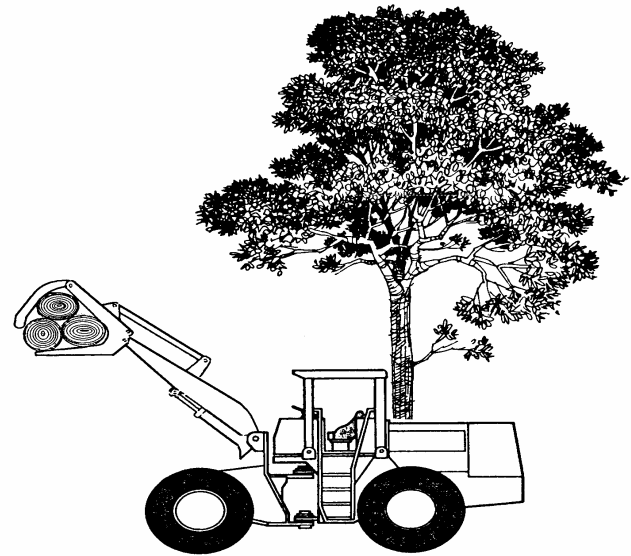


MISSOURI TIMBER PRICE TRENDS



**Quarterly Market Report
July-Sept., 2002
Vol. 12 No. 3**

Missouri Department of Conservation
P.O. Box 180
Jefferson City, MO 65102



Missouri Department of Conservation
Forestry Division, Research Unit

Statewide Timber Stumpage Prices

	July-Sept., 2002				
	High Price	Low Price	Avg. Price	Last Qtr.	Last Year
Veneer					
Black Walnut	\$2,500	\$835	\$1,250	-	\$1,100
Sawlogs					
Ash	\$50	\$50	\$50	-	\$70
Black Walnut	\$450	\$335	\$420	\$460	\$325
Cherry	\$165	\$165	\$165	-	-
Cottonwood	\$60	\$50	\$55	-	-
Gum	\$75	\$75	\$75	\$70	-
Hackberry	\$50	\$50	\$50	-	-
Hickory	\$165	\$50	\$90	\$60	\$110
Mixed Hardwoods	\$180	\$40	\$115	\$135	\$150
Oak (mixed)	\$115	\$110	\$110	\$125	\$115
Post Oak	\$140	\$85	\$100	\$135	\$115
Red oak (group)	\$435	\$50	\$185	\$180	\$180
River Birch	\$50	\$50	\$50	-	-
S Yellow Pine	\$130	\$65	\$130	\$100	\$125
Soft Maple	\$135	\$85	\$125	-	\$150
Sycamore	\$65	\$65	\$65	-	\$55
White oak	\$310	\$85	\$155	\$150	\$150
Stave Logs					
White oak	\$275	\$235	\$270	\$255	\$215
106 Reports	2,315 MBF International Scale, Total Volume				

Ozark Timber Stumpage Prices

	July-Sept., 2002				
	High Price	Low Price	Avg. Price	Last Qtr.	Last Year
Veneer					
Black Walnut	\$1,250	\$1,250	\$1,250	-	-
Sawlogs					
Black Walnut	\$375	\$375	\$375	\$460	-
Cherry	\$165	\$165	\$165	-	-
Gum	\$75	\$75	\$75	\$70	-
Hickory	\$165	\$70	\$90	\$60	\$120
Mixed Hardwoods	\$180	\$40	\$130	\$135	\$75
Oak (mixed)	\$115	\$110	\$110	\$125	\$135
Post Oak	\$140	\$85	\$100	\$135	\$115
Red oak (group)	\$235	\$105	\$165	\$180	\$180
S Yellow Pine	\$130	\$65	\$130	\$100	\$125
White oak	\$180	\$105	\$140	\$150	\$175
Firewood					
Mixed Hardwoods	\$5	\$5	\$5	-	-
Stave Logs					
White oak	\$275	\$235	\$270	\$260	\$220
37 Reports	1,505 MBF International Scale, Total Volume				

Trying to locate a Consulting Forester?

It is easier than you might think! If you have Internet access, Contact information for all 45 members of the *Missouri Consulting Foresters Association* are listed on a web site: www.missouriforesters.com

You can also obtain a free directory of MCFA members by request from: Mr. Scott Brundage, President; MCFA; 2231 Bluff Blvd.; Columbia, MO 65201.

MCFA Directories are also available from Missouri Dept. of Conservation public contact offices and many Farm Service Agency (FSA) and Natural Resource Conservation Service (NRCS) offices in rural counties.

Editor's Note:

Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (573) 751-4115, will be happy to provide you with the name and address of the Resource Forester or MDC Regional Office nearest to you.

Prairie Timber Stumpage Prices

Log Markets

The overall condition of lumber markets could be better according to information provided by our reporting sawmills around the state. Two-thirds of the mills sending in reports are operating at 75% or better of capacity. Log inventories are on the low side, but mills seem satisfied with that situation until they sense some real improvement in business.

In the northern portion of the state, price increases are anticipated in walnut logs of all grades during the next quarter as many mills respond to strong seasonal export orders for that species. There are also rumors that upper grades of white oak logs will also be the target of foreign markets. Red oak grade markets remain strong with few signs of change. Domestically, #2 Common red oak lumber is enjoying the strongest demand, along with white oak stave quality logs. Of the soft hardwood species, only soft maple appears to be maintaining demand levels of the past year matched with stable prices.

In southern Missouri, the pallet market continues to take its lumps from the general economy. Log prices have declined as a result, but a few mills indicate their order files are slowly growing, but without any price increases yet. Hardwood flooring markets are good in response to a healthy new home construction rate plus increased interest in remodeling older homes. The hardwood flooring industry is also utilizing some innovative marketing techniques to boost popularity of their products. Redcedar is not a large market from a volume perspective, but it is very important to several areas of southern and central parts of our state. Redcedar log prices appear to be increasing for both lumber logs and shaving bolts. Consumer preference for hickory cabinets has caused some long overdue price increases for good quality hickory logs and lumber. I was recently surprised to find local cabinet shops quoting a 5% add-on price for hickory cabinets over the base priced red oak. Maybe the additional cost is simply to cover the cost of processing this less-than-user-friendly species, but consumers seem more than ready to pay the tab. The popularity of hickory may mean there is hope for cottonwood and boxelder if the interior designers happen to discover those "natural colors" the rest of us have called degrade!

Shelby Jones, Editor

	July-Sept., 2002				
	High Price	Low Price	Avg. Price	Last Qtr.	Last Year
Veneer					
Black Walnut	\$2,500	\$835	\$1,380	-	\$1,100
Sawlogs					
Ash	\$50	\$50	\$50	-	\$100
Black Walnut	\$450	\$335	\$440	-	\$325
Cottonwood	\$60	\$50	\$55	-	-
Hackberry	\$50	\$50	\$50	-	-
Hickory	\$50	\$50	\$50	-	\$50
Mixed Hardwoods	\$60	\$50	\$60	-	\$45
Red oak (group)	\$435	\$50	\$205	-	\$120
River Birch	\$50	\$50	\$50	-	-
Soft Maple	\$135	\$85	\$125	-	\$150
Sycamore	\$65	\$65	\$65	-	\$50
White oak	\$145	\$85	\$125	-	\$115
50 Reports	676 MBF International Scale, Total Volume				

Riverborder Timber Stumpage Prices

	July-Sept., 2002				
	High Price	Low Price	Avg. Price	Last Qtr.	Last Year
Veneer					
Black Walnut	\$2,085	\$835	\$1,100	-	-
Sawlogs					
Black Walnut	\$415	\$405	\$405	-	-
Mixed Hardwoods	\$85	\$85	\$85	\$135	\$190
Red oak (group)	\$335	\$165	\$240	\$190	\$120
White oak	\$310	\$230	\$270	-	\$135
19 Reports	134MBF International Scale, Total Volume				

Stumpage Markets

Timber sales activity picked up noticeably near the end of the quarter according to the dates of timber sales reported this quarter. The majority of the sales were reported in northern Missouri and contained walnut, white oak, and red oak. Walnut markets and prices appear to have picked up at the high levels where they finished last spring. Prices for red oak and white oak sawlogs also appear to be very strong. A significant factor in the demand for all three species, at least in the northern portion of the state, is being fueled by strong export market in the Orient.

Red oak stumpage prices remain strong for grade logs. Tie logs are also showing signs of stronger markets, particularly in southern Missouri. Large volume sales of salvage logs on National Forest land from tornados last spring do not appear to have impacted stumpage prices to date on sales offered from private lands in SE Missouri. However, these salvage sales plus those conducted to manage outbreaks of red oak borer and oak decline will provide an unusually large supply of stumpage available throughout the Eastern Ozark region in the coming months. Significant declines in stumpage prices are forecast as sawmills fill their log inventory needs for the winter season. However, the laws of supply and demand are not the only factors in the predicted decline in stumpage prices, but also the net reduction of usable solid wood volume from borer damaged timber. Lower stumpage prices could not come at a better time for a sawmill and pallet industry that has been hit hard by the general economic recession. The other side of that coin is that landowners who have invested in good timber management practices will probably not realize the higher stumpage prices they had planned on if their timber is damaged by the borer.

Reports of red oak borer damage are numerous from foresters throughout the southern half of Missouri. The extent of outbreak of this long-present forest pest appears to this writer to be much greater than originally thought. All red oak species under any kind of stress appear to be susceptible, even small-diameter trees in the 4-5 inch diameter range. Attacks on growing stock trees means that loss of wood quality will remain a market factor for many years to come. More intensive forest management is the key to minimizing losses resulting from red oak borer damage, so contact your local forester if you identify a problem.

Generally, stumpage prices have not improved significantly from levels at the beginning of the year. Log inventory levels are adequate to low as reported by 28 of the 30 sawmills responding to that question for this report. A somewhat surprising fact is that more than 50% of the same mills reported that log procurement efforts would not increase going into the winter season. Many mills may be betting on a mild winter with good logging conditions to carry them through with relatively low log inventories. If mother nature doesn't comply, there may be some opportunity for timber sales to yield above average prices in local areas later in the season.

In comparing stumpage prices for the Third Quarter, 2002 with those of one year ago, it is obvious that prices for the majority of species are slightly depressed currently. However, it is important to remember that stumpage prices vary for each sale depending upon local conditions. There is only one way to truly test markets in your area, try a sale. You may be pleasantly surprised.

QUARTERLY MARKET CONDITIONS

Other Prices (July-Sept., 2002)

Product	Average Price
Pine Shaving Bolts	\$28 / Tons
Scrag Bolts	\$26 / Tons
Scrag Bolts	\$52 / Cords
Scrag Logs	\$49 / Cords

35 mills, with a combined annual production of 9,557 million board feet, participated in the survey of log and lumber market conditions. In addition, foresters reported stumpage prices resulting from 23 timber sales containing 2.3 million board feet located throughout the state.

Riverborder Delivered Log Prices
Dollars per Thousand Board Foot, Int. 1/4" Scale
July-Sept., 2002

Veneer Species	High	Low	Average
Black Walnut	\$4,500	\$1,250	\$1,675
Cherry	\$1,665	\$1,665	\$1,665
Hard Maple	\$665	\$665	\$665
Red oak (group)	\$835	\$835	\$835
White oak (group)	\$1,250	\$1,250	\$1,250
2 Mills	317 BF Total Volume		

Stave Logs			
Species	High	Low	Average
White oak (group)	\$415	\$415	\$415
1 Mills	276 BF Total Volume		

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$340	\$300	\$205
Black Walnut	\$485	\$245	\$185
Cherry	\$705	\$600	\$360
Hard Maple	\$500	\$335	-
Hickory	\$270	\$200	\$150
Post Oak	\$190	-	-
Red oak (group)	\$490	\$340	\$210
S Yellow Pine	\$180	\$140	\$140
Soft Maple	\$650	\$450	\$300
White oak (group)	\$355	\$250	\$160
3 Mills	817 BF Total Volume		

Below Grade Logs			
Species	Blocking	Pallet	Tie
Ash	\$135	\$155	\$190
Black Walnut	\$150	\$150	-
Cherry	\$135	\$135	\$190
Cottonwood	\$135	\$135	\$190
Elm	\$135	\$155	\$190
Hackberry	\$135	\$155	\$190
Hard Maple	\$135	\$135	\$190
Hickory	\$145	\$155	\$195
Post Oak	\$145	\$155	\$230
Red oak (group)	\$145	\$155	\$230
S Yellow Pine	\$140	\$140	\$140
Soft Maple	\$135	\$155	\$190
White oak (group)	\$145	\$155	\$230
3 Mills	2,846 BF Total Volume		

Statewide Delivered Log Prices
Dollars per Thousand Board Foot, Int. 1/4" Scale
July-Sept., 2002

Veneer Species	High	Low	Average
Ash	\$500	\$415	\$465
Black Walnut	\$4,500	\$1,000	\$2,510
Cherry	\$1,665	\$1,665	\$1,665
White oak (group)	\$1,825	\$800	\$1,580
5 Mills	3,773 Total Volume		

Stave Logs			
Species	High	Low	Average
White oak (group)	\$620	\$320	\$510
3 Mills	4,476 Total Volume		

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$290	\$210	\$150
Black Walnut	\$555	\$515	\$385
Cherry	\$435	\$325	\$285
Cottonwood	\$175	-	\$170
Eastern Redcedar	\$475	\$375	-
Elm	\$150	-	-
Hackberry	\$160	-	\$125
Hard Maple	\$345	\$320	-
Hickory	\$250	\$180	\$130
Pecan	\$175	\$165	\$125
Post Oak	\$250	\$180	\$130
Red oak (group)	\$425	\$325	\$130
S Yellow Pine	\$180	\$175	\$160
Soft Maple	\$360	\$345	\$250
White oak (group)	\$325	\$250	\$130
22 Mills	4,017,659 BF Total Volume		

Below Grade Logs			
Species	Blocking	Pallet	Tie
Ash	\$145	\$150	\$250
Black Walnut	\$130	\$140	\$240
Cherry	\$150	\$150	\$250
Cottonwood	\$135	\$145	\$165
Elm	\$135	\$150	\$215
Gum	\$140	\$150	\$215
Hackberry	\$135	\$150	\$215
Hard Maple	\$145	\$150	\$215
Hickory	\$140	\$140	\$230
Post Oak	\$140	\$140	\$230
Red oak (group)	\$145	\$150	\$215
S Yellow Pine	\$145	\$150	\$135
Soft Maple	\$125	\$150	\$245
White oak (group)	\$140	\$150	\$215
29 Mills	9,550,883 BF Total Volume		

Ozark Delivered Log Prices
Dollars per Thousand Board Foot, Int. 1/4" Scale
 July-Sept., 2002

Veneer			
Species	High	Low	Average
Black Walnut	\$1,665	\$1,000	\$1,520
Red oak (group)	\$650	\$650	\$650
White oak (group)	\$800	\$800	\$800
2 Mills	1,800 Total Volume		

Stave Logs			
Species	High	Low	Average
White oak (group)	\$400	\$300	\$310
2 Mills	4,200 Total Volume		

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$310	\$210	\$145
Black Walnut	\$575	\$500	\$455
Cherry	\$330	\$320	\$280
Cottonwood	\$200	-	\$170
Eastern Redcedar	\$475	-	-
Hackberry	\$165	-	\$125
Hard Maple	\$225	-	-
Hickory	\$250	\$180	\$130
Pecan	\$210	\$165	\$125
Post Oak	\$250	\$180	\$130
Red oak (group)	\$425	\$325	\$130
S Yellow Pine	-	\$185	-
Soft Maple	\$360	\$340	\$245
White oak (group)	\$325	\$250	\$130
14 Mills	4,014,804 Total Volume		

Below Grade Logs			
Species	Blocking	Pallet	Tie
Ash	\$140	\$155	\$255
Black Walnut	\$125	\$140	\$250
Cherry	\$140	\$150	\$255
Cottonwood	\$125	\$145	\$165
Elm	\$125	\$145	\$175
Gum	\$125	\$155	\$275
Hackberry	\$125	\$155	\$275
Hard Maple	\$130	\$150	\$255
Hickory	\$140	\$130	\$250
Pecan	\$125	-	-
Post Oak	\$140	\$130	\$250
Red oak (group)	\$145	\$155	\$230
S Yellow Pine	\$135	\$160	\$135
Soft Maple	\$125	\$155	\$250
White oak (group)	\$140	\$160	\$255
20 Mills	4,021,290 Total Volume		

Prairie Delivered Log Prices
Dollars per Thousand Board Foot, Int. 1/4" Scale
 July-Sept., 2002

Veneer			
Species	High	Low	Average
Black Walnut	\$3,750	\$3,750	\$3,750
White oak (group)	\$1,825	\$1,825	\$1,825
1 Mills	1,656 BF Total Volume		

Sawlogs			
Species	Grade 1	Grade 2	Grade 3
Ash	\$250	-	-
Cherry	\$500	-	-
Cottonwood	\$160	-	-
Eastern Redcedar	\$400	\$370	-
Elm	\$150	-	-
Hackberry	\$150	-	-
Hard Maple	\$350	-	-
Hickory	\$150	-	-
Pecan	\$150	-	-
Post Oak	\$160	\$300	\$200
Red oak (group)	\$380	\$295	\$210
S Yellow Pine	-	-	\$200
Soft Maple	\$350	-	-
White oak (group)	\$415	\$300	\$200
5 Mills	2,038 BF Total Volume		

Below Grade Logs			
Species	Blocking	Pallet	Tie
Ash	\$150	\$145	\$160
Cherry	\$150	\$150	-
Cottonwood	\$150	\$145	\$160
Elm	\$150	\$150	\$215
Gum	\$150	\$150	\$215
Hackberry	\$150	\$150	\$215
Hard Maple	\$150	\$150	\$215
Hickory	\$150	\$150	\$215
Post Oak	\$150	\$150	\$215
Red oak (group)	\$150	\$150	\$215
S Yellow Pine	\$150	\$145	-
Soft Maple	\$130	\$140	\$160
White oak (group)	\$150	\$150	\$215
6 Mills	5,526,747 BF Total Volume		